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ABSTRACT

In September 1985, the Canadian government introduced the Canadian Jobs Strategy. Two features distinguish the jobs strategy program from Canada's old job development programs and programs for purchasing job training from colleges. These features are: (1) focusing of federal support for labor market adjustment on those individuals who are most in need of help; and (2) emphasizing decision making at the local level so as to support those activities that work best to meet the needs at hand. Under the Canadian Jobs Strategy, programs make use of a wide variety of approaches aimed at the different labor market, general economic, and technological conditions in different parts of the country. Services provided under the auspices of the jobs strategy program include job development, on-the-job training, small business development and supportive services to entrepreneurs, counseling and work experience programs for entry-level workers, and special training programs for occupations faced with labor shortages and for workers threatened by technological or labor market changes. Results of the 1986-1987 surveys of program outcomes are most encouraging. Since its inception, the program has served over three-fourths of a million persons, with 65 percent of those in the job entry and 60 percent of the women enrolled in the re-entry programs completing them successfully. (MN)

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THE CANADIAN JOBS STRATEGY

A Review of the First Years

Employment and Immigration Canada
March, 1988

U.S. DEPARTMENT OF EDUCATION
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In September, 1985, the federal government introduced the Canadian Jobs Strategy, a new way of providing jobs and skills to Canadians. Since that time, over three quarters of a million Canadians have benefitted from the skills and experience they have gained. The strategy is working.

The statistics on the graduates of the Canadian Jobs Strategy programs demonstrate that the new way of doing business is getting better results than the old make-work programs or the old programs for purchasing training from the colleges.

This review will explain why the Canadian Jobs Strategy is such an important reform, and why the early results are so encouraging.

The second half of this review will address, in some detail, criticisms of the Canadian Jobs Strategy. We have received many constructive suggestions on how to improve the Strategy. This statement will describe how we plan to respond to these. There have also been a few unfounded criticisms. These will be addressed as well and put in the context of the positive results that we now know are actually being achieved.

The Essence of the Strategy

What is the essence of the Canadian Jobs Strategy? Why is it so important?

The answer lies in the two features of the strategy. First, federal support for labour market adjustment is focused on those individuals who are most in need of help. Second, the strategy supports activities that work best to meet the need.

The emphasis is on decision-making at the local level. For example, we will fund training or practical work experience, or community business development, or some mix - whatever works in a particular locality to best help a long-term unemployed person find a permanent job or to help a threatened community develop its potential.

The Canadian Jobs Strategy programs are part of a real strategy. Under the old arrangements, a program was a narrow way of doing things: a training program, or a student employment program, or a make-work program. They were a pot-pourri that were never intended to add up to an integrated strategy. Under the Canadian Jobs Strategy, programs are a collection of tools available to respond to the needs of specific clients:

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- For example, Job Development offers a collection of on-the-job training, classroom training and work experience activities that we use to help the long-term unemployed find a job

- Community Futures provides small business development support, entrepreneurship support, training and relocation assistance to help the most needy communities outside metropolitan areas

- Job Entry provides training, work experience and counselling opportunities for young people facing difficulties entering the labour market and women re-entering the labour market, and to students preparing for eventual labour market entry through summer work

- Skill Shortages is the sum of activities to employers facing the most pressing occupational skill shortages, whether through training or relocating skilled workers from elsewhere

- Skill Investment is a collection of mechanisms aimed at workers threatened by technological or market changes. It includes subsidized training, help in setting up training trust funds and support for work sharing.

Our past experience, and the experience of other countries, show that there are no magic solutions to ever-changing labour market problems. Innovations, the sixth program in the Strategy, is a recognition that we must test new ideas about ways and means to address labour market issues.

Labour market adjustment problems differ across Canada and as a result of changes in technology or general economic conditions. There are also continual changes in the way these problems impact on different groups - young people, or older workers, or women. The Canadian Jobs Strategy, with its focus on solving specific individual problems, provides a framework for people across the country to find their own solutions to their changing labour market needs - local solutions to current local problems.

THE CANADIAN JOBS STRATEGY IN PRACTICE

How are the themes "focusing help where it is most needed" and "doing what works best" put into practice? The best way to demonstrate this is with some examples.

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Example: A Young Person Finding a First Job

One example is a young person, 20 years old, who dropped out of secondary school at age 16. He or she now wants to find a permanent job but lacks the skills and even the right attitudes for handling a regular work routine.

A Canadian Jobs Strategy solution in this case would be to put the young person under the direction of a "coordinator" who would organize a mix of classroom training and practical work experience for a group of young people. Typically, the participant would receive several weeks of training and counselling to orient the young person to the world of work, along with some introduction to a specific skill, say computer processing. Then he or she would be sent out to apply those skills in a real work setting, say with a local insurance company who had agreed to be a "training place host". This work experience would last for several weeks and would be followed by another cycle of formal training and counselling in a classroom setting. There might be two or three such cycles of training and work experience. The final training session might include training in resumé-writing and practice runs for mock job interviews.

The pattern described above is typical, but details vary widely depending on the needs of individuals and of local employers. Coordinators are sometimes private employers, sometimes non-profit groups and sometimes colleges or other trainers. Under the Strategy, they manage the project and are paid for their services. In the example given, trainees are paid an allowance while receiving training and work experience. In other options, a wage is paid if this is appropriate.

Example: A Woman Re-entering the Labour Market

Another type of CJS participant who would receive a similar combination of training and work experience as described for young people would be a single mother, perhaps receiving social assistance, who has been out of the labour force for a number of years. As in the example of a young person, she will be paid an allowance, including dependant care allowance, while she is receiving skill training, counselling and work experience. Her fellow project participants will be women in circumstances similar to her own, who can identify with her problems and reinforce her self-confidence. The entire project will have been designed and managed by a coordinator who is familiar with women's learning needs and is sensitive to the problems facing women who are re-entering the labour market.

Example: The Long-term Unemployed

Another example is a person who has had extensive experience in the labour market, but who has been unemployed for many months. This individual already possesses the basic skills and attitudes needed to find a job, but needs to have his or her skills upgraded.

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In this case, the individual might be placed on a training course in a community college or be assigned to a project set up to provide a combination of training and work experience.

If the person is receiving training, he or she would either obtain an allowance under the Strategy or continue his or her unemployment benefits. The college would be paid the full costs of the training. In the case of a project, the Strategy would subsidize wages and pay for the management of the project.

In still other cases where the unemployed individual was facing special employment problems due to a physical disability, or was a member of a group facing special employment problems such as Natives, the solution under the Strategy might be direct placement in a regular job with an employer who has agreed to hire our clients in return for a wage subsidy lasting up to one year.

Example: A Skill Shortage

Another example of a CJS client is an employer who cannot find needed staff because of a major shortage of the required skills. In this case, the Strategy can provide employees with training in colleges or with subsidized on-the-job training. Another option would be to help pay the relocation costs of a worker who has the needed skills to meet a designated shortage and who is willing to move from another part of the country. A careful process for designating shortage occupations ensures that the funds are spent only where the need is greatest. It is the Employment and Immigration Commission that decides which shortage occupations will be designated, based on labour market analysis undertaken at the regional level. Only a small number of skill shortages are designated. For example, in New Brunswick, there are currently 21 designated occupations including computer-assisted drafting and motor vehicle mechanics (upgrading in electrical systems and fuel injection). In the Northwest Territories, there are seven designated occupations including communications electricians and translators/interpreters in Native languages.

Example: Workers Faced with Layoffs

Still another example are workers who are threatened with a layoff perhaps due to a technological change or a change in the markets for their firms' products. In this case, the Strategy supports activities by employers and workers before the layoff occurs. Possible solutions include subsidized retraining and financial support for training trust funds or work sharing arrangements.

Example: A Threatened Smaller Community

CJS clients are not only individuals. They may be small communities with high unemployment, perhaps threatened by the closing

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of a major industry. The Strategy, under Community Futures, can provide financial support in a number of situations: for individuals who wish to relocate, for business development initiatives undertaken by the community, and for unemployed members in the community who wish to start their own business. But in this example, it is up to the community to analyse its own problems and to decide which solutions are most appropriate.

Other Examples

Other examples include exciting new kinds of support for entrepreneurship and the summer experiences we provide for secondary and post-secondary students. Another example is our support for cooperative education that provides work experience to students. Still other examples are our support of apprenticeship and language training for immigrants.

The examples cited give a flavour of what the Canadian Jobs Strategy is trying to do: to provide help where it is needed most and to be as flexible as possible in funding what works best in different situations.

The examples could go on. They would have to be multiplied many times to bring them up to the over 400,000 participants who are actually being helped.

How do we manage this process? How do we organize these thousands of different approaches into a coherent strategy? How do we determine how much emphasis should be given to the long-term unemployed and how much to skill shortages? How do we ensure we are being equitable in determining need? How do we know what is really working best? These questions are best answered by describing the four stages in the operation of the strategy.

STAGES IN THE OPERATION OF THE CJS

The Canadian Jobs Strategy has four stages in its operations:

- first, setting the budget at the local level;
- second, translating the budget into opportunities for training, or work experience, or relocation, or community business development, or any of the other tools available under the strategy;
- third, providing individuals most in need with these opportunities;
- fourth, measuring results and making improvements.

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1. The Budget-setting Stage

The budget-setting stage represents the greatest departure from the old centrally-controlled process. Although budget processes seem dry and uninteresting, we all know that they determine what we can do.

As the first step in the CJS approach, a total block of funds is assigned to the various regions of the country. This amount is determined by the labour market needs of the region and by the total budget allocated to the Canadian Jobs Strategy by the Minister of Finance. This regional budget is then be further allocated to Canada Employment Centres representing local labour markets.

The next step is to divide the total budget into separate programs. This takes place primarily at the local level.

Individual Canada Employment Centre managers obtain advice on local needs through such means as the Local Advisory Councils that are in place in most parts of the country. Members of Parliament also have a major role at this stage. The process requires the managers to be responsible for all major elements of the strategy. This involves an integration of responsibilities that were formerly scattered among separate parts of Employment and Immigration: Employment Development Branches, regional headquarters, as well as the Canada Employment Centres.

Recall that the programs of the Canadian Jobs Strategy are defined in terms of different client groups. When we divide the budget into programs, we are making an assessment, at the local level, of the relative need among these client groups in that area. This results in different program mixes in different parts of the country.

In areas with high or growing unemployment levels such as Alberta or British Columbia, we may find an increasing emphasis on Job Development and Skill Investment. In southern Ontario, where shortages are a growing priority, the emphasis may be on Skill Shortages. In areas without a strong private sector base, the emphasis may be on community business development under Community Futures, or on resource-based projects under Job Development, or on support for entrepreneurial activities.

Locally-originated plans are reviewed to ensure they are consistent with regional and national priorities. For example, there will be a review at the regional level to ensure harmonization with the plans of provincial and territorial governments. Budgets can be adjusted every quarter to ensure they keep up with rapidly-changing situations. Final responsibility for budgets, of course, rests with the Minister who relies on advice originating at the local level.

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In other words, budgets will be based on the needs of communities and different client groups. And the budgets will be based on recent analyses that are locally based and that involve all the main players - Members of Parliament, employers, workers, educational institutions and target group representatives.

2. Translating the Budget into Training and Work Experience Applications

The second stage in the Canadian Jobs Strategy process is to translate the budget into actual activities such as projects, or subsidized work experiences with employers, or purchases of training places in colleges. We do this by negotiating training purchases with the provinces. We also negotiate with employers and sponsors for mechanisms for supporting small business development and entrepreneurial support in smaller communities.

We expect projects combining on-the-job experience with classroom training will be best for many clients of the new strategy. In developing proposals, we favour those activities that have worked best as judged by our follow-up surveys of recent participants.

Furthermore, there is also a forward-looking, innovative aspect to the development of new approaches to providing skills and jobs in different circumstances. Through Innovations, we can experiment with new tools for addressing labour market problems.

3. Placing People

The third stage in the operation of the Strategy is to provide individuals with the various training and work experience opportunities.

As in the past, a top priority of our staff is to provide good service to clients coming to the Canada Employment centres. This emphasis on service remains, but the objective is now broadened to meet the needs of those most in need in the local labour market, including those who traditionally have not come to the Canada Employment Centres. This involves a whole new approach, one where the Employment Centre must become more closely involved in the local labour market. This means the manager must have good advice. The Local Advisory Councils and Members of Parliament have important roles here in providing this advice.

In selecting individuals for various training courses, or projects or relocation opportunities, local officials follow rules which ensure that the same criteria to identify those most in need are being used throughout the country.

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For example, there is a fixed rule for ensuring equity in the definition of long-term unemployment. That rule says that people must have been out of a job for most of the last seven months or, specifically 24 out of the last 30 weeks. However, there is local flexibility in determining what share of the available budget should be devoted to the long-term unemployed and what kind of training and work experience should be provided.

Each program has its own eligibility rules, all aimed at channelling available dollars to where they are most needed.

When placing individuals in activities, local officials must also conform to employment equity targets and priorities. Targets are set for the participation of women, Natives, disabled people and visible minorities.

4. Measuring results

The fourth and final stage is to monitor the results in order to determine what is working best. We carry out a survey of all participants three months after they leave their project or training course. We measure whether that individual found a job and whether the training provided was relevant to that job. We also carry out a sample survey of participants one year after they leave the activities sponsored by the program.

The results of these surveys are widely distributed to project sponsors, to Members of Parliament, to colleges, and to Local Advisory Councils. We, and our partners in the Strategy, will know what is happening. Things that are not working will be dropped. Project sponsors and the colleges know how they are being assessed and can make any necessary adjustments themselves. There is in short, a continuing commitment to effectiveness, to getting results for clients that are of lasting value.

More general comparisons can also be made. For example, direct purchase of training options can be compared with managing coordinator options in light of both costs and results. Adjustments are made in order to ensure good value for money.

That is how the Canadian Jobs Strategy is intended to work. You will notice that, at each stage, the emphasis is on a simple nationally-determined framework of rules to ensure consistency and equity across the country, but with maximum local flexibility to make the right decisions about what activities to undertake within that framework.

5. National and regional priorities

The preceding description of the stages of the Canadian Jobs Strategy have been somewhat simplified and have concentrated on those problems which are best addressed at the level of the local labour market.

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In reality, some labour market issues are best addressed at the regional and national levels and others at the level of specific small communities, even smaller than the local labour markets covered by the Canada Employment Centres. In actual operation, the four stages are adjusted to take this into account.

For example, decisions in Innovations, the research and development arm, are taken nationally. Most of the designations of occupational skill shortages under Skill Shortages are taken at the regional level. Arrangements for the purchase of seats in colleges are made with provincial and territorial governments and are negotiated at the regional, not the local level. And the main decision-making role for Community Futures will be at the level of the threatened community itself. In other words, decision-making has been delegated down to the appropriate level, closest to where the action is.

EARLY RESULTS

The results of the 1986/87 surveys are most encouraging. The following are the results of the experience of participants who graduated from our programs in 1986/87.

The Entry and Re-entry options of Job Entry are typical of the new-style CJS approach. These are mainly mixes of counselling, classroom training and practical work experience directed to young people and women facing difficulty in entering or re-entering the labour market. The results from these options indicate success rates of 65 per cent for young people who completed Entry and 60 per cent for women completing Re-entry. This means that only three months after leaving the program, 65 per cent of the young people had jobs or had decided themselves to go on to further training.

These are very good figures, given the difficulties faced by most of these young people and women.

There is not yet enough data on other options to make general conclusions, but the signs are promising. For example, under Job Development, where an individual must have been unemployed for a long period before being eligible, early results show a success rate of 61 per cent under the individually subsidized jobs option. Success

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rates for work-based options under Skill Investment and Skill Shortages are even higher - in the 89 per cent to 96 per cent range, although these high success rates are not unexpected since, before being trained, many of these individuals were either employed or had recent work experience.

As well, the participants themselves are overwhelmingly positive about the effect CJS participation has had on their employability. Fully 83 per cent indicated that this experience would help them keep their present jobs or obtain a new or better job in the future.

Results are equally positive with respect to employment equity. Participation of women, Natives, the disabled and visible minorities are all higher than under the programs that preceded the Canadian Jobs Strategy. Most targets for women have already been met in the first year of operation. For example, the targetted participation rate for women in 1986-87 in the Job Development program was 35 per cent, yet the actual participation rate was 46 per cent. In the Entry option of Job Entry, women made up over 51 per cent of participants. Other targets will take more time to meet.

In the past year, over community areas have been selected for Community Futures assistance. Local committees which are organized to assess the business development and worker adjustment needs in these areas are now considering and selecting those specific options which can best address those needs.

Many of us have seen the excitement generated by so many of our new activities over the past eighteen months. It has been a frustration to have had to limit our comments to anecdotes and individual success stories. Over the next year, we will gradually see the whole picture. The parts of that picture which are now beginning to emerge fully justify our optimism and excitement.

More important, over the next year, we will be able to take an even closer look at what has been working best and how we can build on these successes.

ANSWERING CRITICISMS

A change of such magnitude as the Canadian Jobs Strategy was bound to generate criticism. Some of the critical remarks are justified. Mistakes were made during the start-up period. These are now being corrected. Certain kinds of projects that were supported in the past can no longer be supported and this has caused some opposition.

There has been a series of useful suggestions for improvement from Local Advisory Councils and interest groups. These have helped us greatly in the evolution of the Strategy. On the other hand, there is a need to directly address some well-publicized, but unfounded criticisms.

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Most of the suggestions and criticisms can be grouped under the following eight headings:

1. Some of the eligibility criteria are too rigid

2. Not enough priority has been given to placing women in a wider range of occupations, including non-traditional occupations

3. The total budget for the CJS is too low

4. Some useful activities are no longer being funded

5. The Strategy works better in areas where the private sector is already strong

6. Decentralized decision-making is not yet fully in place

7. Not enough attention is paid to the quality of training. A related criticism is that too much reliance has been placed on college training at the expense of more effective training conducted by the non-profit sector and by employers

8. The Strategy has a social rather than an economic focus.

1. Flexible Eligibility Criteria

A number of critics have pointed out areas where the existing criteria exclude some groups that are truly in need. Immigrant women needing language training is one example. Another is individuals with employment disadvantages and a long history of unemployment, but who happen to have found some marginal work in recent months. A task force set up to fine-tune the Strategy has already resulted in an option of Job Development being moved to Job Entry permit easier access.

Other critics have taken issue with the idea of having eligibility rules at all. They point out that recently laid-off people may need help, as do underemployed people. The criticism is that we are waiting for a serious problem to occur, instead of taking remedial action now. While the motives of those who make this argument are commendable, the argument itself ignores the realities of the Canadian labour market.

There are a great number of Canadians today who are unemployed for long periods: over 100,000 Canadians have been unemployed for over a year let alone for 30 weeks. There are many young people and women who cannot get into the labour market at all. There are many communities that must have government assistance if

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their own efforts at development are to succeed. Provincial governments tell us there are as many as 500,000 employable social assistance recipients who could re-establish their self-sufficiency through a strengthened labour market attachment.

The issue is not one of keeping someone "waiting" until a real problem arises. The issue is to ration available assistance to those who need it most. There are already far more people with serious problems of long-term unemployment than can be helped with available dollars.

This government has decided to help those who need help most. This is not to say that we do not recognize that others also have real labour needs. They do, but because they are more recently unemployed, they have better chances of re-integration into the labour market using their own initiative, supported by placement services provided by the Canada Employment Centres and by Unemployment Insurance.

Our analysis of the labour market suggests that most individuals and most employers can, and should, look after most of their own training requirements. Most Canadians find a job without government intervention. Most training by industry takes place without government subsidy. Training and skill development is a shared responsibility in our society. Government support should be focused in areas where it is most needed.

It should be noted that the problem of long-term unemployment is not unique to Canada. It is a growing concern in most developed countries. Many European countries, for example, are putting in place programs aimed at the long-term unemployed. Often they use criteria that limit participants to those who have been unemployed for a year or more.

2. Equity Issues

Some groups feel that the Canadian Jobs Strategy should place a greater priority on helping women find jobs in a wider range of occupations. It has been noted that some bridging training that we formerly provided for underemployed women has been shifted to women who have no job at all. Many of the new projects are training these women for work in traditional areas like word processing and secretarial work.

Our first priority under the Strategy was to make sure that women, Natives, visible minorities and the disabled were equitably treated. Targets have been set for participation of these groups. Targets have also been set for the participation of social assistance recipients. As noted earlier, these efforts have been largely successful.

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Participation by women has been particularly encouraging. Typical of the women who are now CJS clients are single mothers, often on social assistance, who have been out of the labour force for some years. Many of these women welcome the opportunity to find regular jobs in areas like word processing or general office work. The demand for skills in this area is good. Many of the new women clients want jobs in the office work area. And the training provided works.

Statistics show that the range of occupations for which we are training women is not as restricted as some observers had originally feared. Nevertheless, it is quite true that it is important to promote opportunities for women to enter a wider range of occupations. But skills must always be those that are in demand. We must avoid the temptation to encourage training for an occupation that is non-traditional but for which there is no demand.

Because we have already achieved excellent success with respect to participation of women, it is now feasible to place more attention on other priorities such as training that will lead to participation in a wider range of occupations that are in demand. Instructions have been issued to promote this training.

There remains an important area where targets for women's participation have not yet been met. This is in apprenticeship training now supported under Skill Shortages. Only some 6 per cent of apprentices who receive federal funding are women and many of them are in a single field - hairdressing. The federal role in apprenticeship is mainly limited to financing classroom training. We have little control over selection of individuals for apprenticeship training.

Studies of apprenticeship arrangements have been concluded with a number of provinces and territories. They have agreed to begin to take action in this coming year with respect to equity in apprenticeship. The continuity of the federal presence in apprenticeship training will most certainly be linked to improved equity results.

3. Expenditure Levels

A number of critics point to the declining total budget for the CJS in the past three years and argue that, with continued high unemployment, expenditures should be higher. The problem with this, of course, is that, overall, the health of the economy depends on restraint in spending. It is easy to have some sympathy with a call for more expenditures. The good results of these programs indicate that more funds would result in even more good things. The difficulty, of course, is achieving a balance between more public spending and the good of the Canadian economy.

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Ultimately, the health of the labour market depends on the health of the economy. And the health of the economy depends in part on responsible fiscal and financial management by governments, including responsible spending restraint. This government has an excellent record on the economic front. Economic conditions have improved. In other words, the Minister of Finance has achieved a wise balance in his approach to budgeting.

Some criticisms about budget levels have arisen in provinces that have not yet signed agreements providing social assistance recipients with the opportunity to participate in the Canadian Jobs Strategy and related provincial and territorial programs. In these cases, funding levels can be readily increased. The money is there. The need is there.

The federal government is eager to use the Canadian Jobs Strategy to help social assistance recipients. In Ontario, for example, some $50 million additional could have been used to provide badly-needed training and work experience for social assistance recipients in 1986-87, had an agreement been signed. Nationally, $200 million was available for this purpose.

One criticism related to the size of the Canadian Jobs Strategy budget is based on a confusion over budget numbers. On several occasions, federal labour market budget allocations in one year have been compared with actual expenditures for another year. This is comparing apples and oranges.

Following are the program expenditures by Employment and Immigration on the Canadian Jobs Strategy and predecessor programs in recent years:

1981-82	$0.9 billion
1982-83	1.1 billion
1983-84	1.6 billion
1984-85	1.7 billion
1985-86	1.4 billion
1986-87	1.5 billion

The 1987-88 expenditure figure will be approximately $1.6 billion.

These figures show a pattern of expenditures that is about in line with change in the overall unemployment situation.

Note that these are program expenditure figures only, for programs delivered by Employment and Immigration, not the total CJS budget. The budget figures also include such items as overhead costs and the cost of programs delivered by other departments and the cost of related programs. The corresponding budget allocation figure for the Strategy in 1987-88, for example, is $1.8 billion.

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Much more important than the amount of expenditures, however, is what those expenditures have accomplished.

We are spending at a responsible level and we are spending wisely. We are getting results. The unemployed want jobs. Real jobs require a commitment on the part of this government not only in terms of CJS programs, but in terms of sound financial management - to spend smarter.

4. Activities No Longer Funded

The new emphasis on those most in need and on funding what works best has meant that certain activities which we funded in the past have had to be dropped or reduced in scale.

There has been a reduction in such activities as the construction of buildings and other facilities. While many of the resulting structures were useful, our evaluations showed they were not resulting in a pay-off in terms of providing skills or job opportunities for participants when the project was completed.

In some cases, the change to a more needy clientele has caused a change in the activities we fund. For example, some community groups who financed activities using our wage subsidies would prefer to use these subsidies to hire more experienced staff rather than the longer-term unemployed.

In other cases, the new funding flexibility may cause difficulties for agencies which have come to depend on our programs as a source of income. For example, in the summer of 1987, student unemployment rates showed improvement in southern Ontario compared to other parts of the country. The result was a shift of student programming funds to other parts of the country and a shift in funding in southern Ontario towards areas of greater need there, including Skill Shortages and Job Entry projects for young people who had dropped out of school.

This ability to shift funds is a good illustration of the flexibility of the Strategy, but it did cause concern to groups in southern Ontario who had come to depend on wage subsidies to hire students in the summer months.

The Canadian Jobs Strategy has meant real change. It is understandable that those who were doing useful things with job funds in the past see the new approach as a threat to the continuity of their funding. Arrangements are being made wherever possible to help agencies adapt to the Strategy.

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Many, although admittedly not all, agencies have adapted quickly and enthusiastically. For example, the YMCA had done much valuable work in the past under our old programs but quickly saw the potential of the Canadian Jobs Strategy. In addition to carrying on their former activities in providing skills for severely employment-disadvantaged youth, they launched a new $10 million, three-year experiment under the Innovations Program to provide entrepreneurship training and support to unemployed young people in nine centres across Canada.

5. The CJS In Areas Where the Private Sector is Not Strong

A concern, especially in the earlier days of the Canadian Jobs Strategy, was that the Strategy might rely too heavily on cooperation with the private sector and on formal training. What will happen, it was asked, in areas where the private sector is under- developed? Why emphasize formal training in those parts of the country where there are few jobs? What will happen in economic down-turns when the private sector is unable to create jobs?

These questions are not asked as frequently now that people have had a chance to learn more about the Canadian Jobs Strategy.

Under the Strategy, a region or a locality receives a budget depending on the economic need of the region. And that budget will be spent in that region and on activities that work best in that region. What works best in a community with a thriving private sector may not work best in an area where the private sector is either underdeveloped or is going through a difficult period.

The bottom line is that the Canadian Jobs Strategy funds are being spent in all parts of the country, both where the private sector is strong and where it is not strong. The early concerns have no foundation in fact.

For Canada as a whole, the "what works best" philosophy means a shift to greater involvement of the private sector and more training. But this does not mean that the private sector must play the same role in all parts of the country. We will not concentrate on training in those parts of the country where other solutions work better.

Overall, however, the shift to the private sector has not been radical. Only about 60 per cent of the agreements under the Strategy are with the for-profit sector. This does not include the direct purchase of training where virtually 95 per cent is with the not-for-profit sector. Most of these (4 out of 5) are with small businesses of less than 100 employees. However, because the private sector costs to the government are less, the private sector receives about 36 per cent of the total CJS dollar value, yet, funds about 46 per cent of all participants under the Strategy.

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The Strategy is building on much creative energy in devising new solutions to meet local needs. Business development centres under Community Futures are one example. Indeed, support of entrepreneurship has received considerable emphasis under the Strategy, in the form of community business development in threatened communities, through the establishment of small business services and incentives of various descriptions to support new entrepreneurs, and through entrepreneurial training.

It appears that about 10 per cent of the Strategy is devoted to the support of community business development and entrepreneurship. Large numbers of Canadians when confronted with the dilemma "why train if there are no jobs" are saying that they welcome the opportunities provided by the Canadian Jobs Strategy to create their own jobs.

The Canadian Jobs Strategy supports a wide range of other activities that make sense in areas where the private sector is weak or is in a temporary downturn.

Worksharing, for example, is a solution that has been widely used in the recent downturn in Alberta. Relocation assistance is available to those who wish to find jobs in other parts of the country.

Job creation projects are carried out under Section 38 of the Unemployment Insurance Act. In 1987, we are spending $40 million in traditional work experience activities under Section 38, much of it in support of the resource industries in rural parts of the country. This is in addition to $100 million worth of unemployment insurance received by participants on these projects.

6. Decentralized Delivery Not Yet Fully in Place

Some people who strongly support the objectives of the strategy have pointed out that there are still a number of difficulties that constrain local decision-making. This is a valid concern. Much has been done to move to the simple four-stage model described earlier, and we are almost there. We are moving as fast as we can to streamline our processes while still keeping our commitment to service.

The creation of a single-window structure for local delivery will take a bit more time to complete, as will the process for full local budgeting. This means that the role of the Local Advisory Councils is still evolving.

A few important program activities are just being tackled now, including the choice of options by Community Futures Committees and deciding the best approach to apprenticeship.

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In order to launch the CJS quickly, many instruments - such as forms and computer systems and training materials for local staff - were borrowed from the old programs. Much simpler materials are now available and more are being developed. Suggestions from Local Advisory Councils and from various interested groups have been most helpful in the streamlining that is now under way.

7. Quality of Training

There have been strong expressions of both support and concern about the new approach to training. Canadians care deeply about skills and training.

The facts are simple. As a result of the Canadian Jobs Strategy, there are many new approaches to training - usually involving mixes of classroom training, work experience, life-skills training, and counselling. These approaches are generating tremendous enthusiasm from industry and from the students because they are really working. They are new and they are a challenge. Sometimes they are a threat to older approaches where training and work were mainly kept in separate worlds.

This new kind of training is being provided by community colleges, by non-profit groups, by private training organizations and by existing companies which have welcomed the opportunity to use their facilities to help disadvantaged young people, or women on welfare, or the long-term unemployed to gain the skills needed to get a job.

The funds for this kind of training have been made available by reallocating resources, not from traditional classroom training in the colleges, but from the old short-term job creation programs that provided no training.

There has been an influx of new funds into training. But we are providing funding for training in ways that are intended to encourage responsiveness. In some cases, such as Job Entry, we have provided the new funds in a way that creates an incentive for coordinators to produce good training at low cost. In other cases, we pay only for costs incurred. Under Innovations, we are experimenting with pay-for-results funding.

In addition, we have changed our approach to funding traditional classroom training in colleges. In the past, nearly all such funding was by means of payments from the federal government to provincial governments who would, in turn, reimburse the colleges for the training places that were purchased. In order to encourage a larger role for employers and workers in this process, agreements have been signed with all provinces and territories whereby more funds are going to colleges indirectly through employers or through groups representing employers and workers. These include

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managing coordinators, project sponsors, and groups like Community Industrial Training Committees and Commissions de formation professionnelle.

In 1986-87, the first year of the new arrangements, federal funds reaching the colleges under the Canadian Jobs Strategy, either directly or indirectly via these sponsors, were about the same in total as in 1985-86. But there was a ten per cent shift away from direct purchases in the routing of that funding. This shift away from direct purchases accelerates in 1987-88 and 1988-89.

In future years, there will be more federal training dollars accessible to those colleges which go after the new training dollars to create training programs that match the training needs of employers and of CJS clientele. But it will not happen automatically. Colleges and private trainers will have to adjust continually to changing labour market needs if they are to continue to receive high levels of federal funding.

From a federal perspective, under the Canadian Jobs Strategy, we look to the quality of results in the labour market. We want to fund training that works - training that provides skills which result in jobs. We will measure the results by our follow-up surveys.

Under the Strategy, governmental responsibility for the quality of training is left strictly up to the provinces and territories. Under the training agreements which we have signed with the provinces and territories, they review training plans from the various CJS projects, sometimes on a 100 per cent basis and sometimes on a sample basis.

Direct purchases from the colleges continue to be made via the province or territory. Only private trainers licensed by provinces and territories are funded. Federal training plans are discussed in detail with the appropriate provincial and territorial authorities.

In summary, the federal position is that we want to fund training that works, as measured by the success of graduates in finding jobs that use the skills they were taught. We are prepared to purchase that training from either colleges or private trainers, subject to provincial and territorial government review of quality of training and subject to transitional measures that help colleges adjust over a three-year period to the new approach.

Two concerns have been raised about this approach. First, it is suggested that the result will be a wasteful dual system of private training and college training. The other relates to the quality of some of the training provided.

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Elaborate training systems already exist in both private industry and in colleges. Many large companies have an extensive internal training capacity. On-the-job training is a feature of most large and small companies. Numbers of private trainers already exist who support this activity.

In other words, a dual training system already exists. It was not created by the Canadian Jobs Strategy. However, the Canadian Jobs Strategy can be a force for allowing private training and college training to work more closely together in addressing labour market needs.

As to quality, there is bound to be some unevenness in the quality and relevance of the training which we fund in both colleges and in the private sector.

A number of weak private trainers have undoubtedly been funded along with a far larger number of excellent private trainers in both the profit and non-profit sectors. Despite the poor overall evaluations of our recent approaches to the purchase of institutional training it is equally true that we are funding much excellent training in colleges. We are confident that, with the right financial incentive, colleges and private trainers will both be able to provide training that is not only of high quality, but that is relevant to the needs of trainees and employers.

There should be no concern over the broad directions of the Canadian Jobs Strategy for training. The shift to a "what works" method of financing training can support the objective of all participants - individuals, employers, and the trainers.

There is, however, legitimate concern about implementation processes and the nature of transitional measures. In this regard, an atmosphere of cooperation and mutual understanding between the two orders of government, and an open dialogue with colleges, is proving to be most beneficial.

8. The So-called Social Orientation

Some critics have argued that the Strategy is too "social" and not sufficiently "economic". Can a strategy which is focused on getting good results at the level of individuals most in need be a useful tool in addressing broader industrial and regional adjustment issues? Can "economic" adjustment difficulties facing a whole industry, or a whole community or group of communities, be addressed by a "social" strategy aimed at the individual affected by these adjustment problems?

The CJS is a "social" strategy, according to this view, because of its emphasis on individuals most in need. This is in opposition to an "economic" approach that usually means one of two things. An "economic" approach sometimes refers to a strategy whereby

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governments set specific regional and industrial development priorities as part of the labour market strategy. Some other times, it refers to an approach that involves unfocused subsidies to firms or to industry sectors, to encourage training generally.

In our view, the Canadian Jobs Strategy is a better approach to both social and economic issues. The so-called "economic" approaches have not proven very successful.

In the past, there have been attempts to define, in advance, priority areas of structural or cyclical adjustment and to devise labour market programs to meet those specific problems. This approach does not work very well. At best, such an approach would require broad national consensus on specific regional and industrial development priorities. Even if such a consensus existed, a strategy based on this approach would result in centralized decision-making, with programs being implemented often after the problem to which they were addressed had disappeared.

The experience under the National Training Act is instructive. The National Training Act was based on an analysis undertaken in the late 1970's and into 1980. That analysis gave great weight to the problems of skill shortages associated with mega-projects. The Act was passed in 1982, at the very time that labour market priorities should have been switched from mega-projects to the consequences of the recession for the long-term unemployed and for people trying in vain to enter the labour market.

It is no wonder that the evaluation of the training programs under the Act showed such poor results. Under the new Strategy, solutions will be found by local decision-makers solving individual problems as they emerge.

The other "economic" solution - to concentrate on unfocused subsidies to employers rather than on individuals most in need - also does not work very well. If we simply were to offer general wage subsidies to employers, we would simply be replacing action which should be the responsibility of workers and employers. We would undermine initiative and accomplish nothing which is truly incremental in the long run.

Much of the most effective kind of training occurs in the workplace, either through formal classroom training in industry or through practical work experience. The continuing efforts of industry to provide quality training deserves support. There is a long history in Canada of government support for training in industry and this support continues under the Canadian Jobs Strategy. The question is whether government support should be generally available, including when the training would take place in any event, or whether it should be concentrated in areas where it is needed most, that is, where training could not easily be provided without it. Firms and employees

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are in the best position to determine the amount and type of training that is desirable. Government funding or direction is, in most cases, neither needed nor helpful. Government should recognize that industry knows what type of training makes sense and can be relied upon to provide it.

There are other cases, however, where changes in skill requirements extend beyond the boundaries of a particular firm and result in skill shortages that impact on a whole community or industry sector. Under the Canadian Jobs Strategy, funds are available to supplement the efforts of employers and workers to help resolve these wider shortages through training. Under the Canadian Jobs Strategy, much of the support for training in industry goes to smaller firms who find it more difficult to provide certain types of formal training than do bigger firms. In this way, limited government support is made available where it is needed most.

We are much more likely to succeed if we have a set of initiatives that will quickly respond to any serious problem that emerges, regardless of the "social" or "economic" cause of the problem. We will find a solution, whether the problem is due to difficulties in a particular industrial sector, to a changed technology that cuts across industries, to a demographic change, or to a particular regional problem.

Indications are that the new approach works well in supporting regional and sectoral initiatives where these exist. The community economic development features of Community Futures have generated much enthusiasm. The Strategy has already been used to assist the efforts of industry associations involved with tourism, culture, forestry and mining. Discussions with other industry associations are underway with respect to Innovations proposals.

The Strategy has also been used to support broader-scale regional developments, where these exist. In Manitoba, for example, the CJS programs support the Winnipeg core development. In Ontario, Community Industrial Training Committees are being used to purchase training to meet the development needs which they identify.

The whole emphasis on bringing the worlds of training and work closer together represents a major step forward in creating an environment where broader community and industrial action can be planned and implemented.

Under the Canadian Jobs Strategy, the federal government recognizes that it is only one player in labour market adjustment. We do those things that we do best - helping those most in need. We do this in cooperation with others. We complement, not replace, the roles of employers, workers, other federal departments and other orders of government. We do not unilaterally define solutions in advance, but can work with other groups to find a solution that works in a particular situation.

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Employment and Immigration Canada supports a wide range of activities designed to help our economic partners resolve adjustment difficulties. The Industrial Adjustment Service which brings together workers and employers is an important example, one that is gaining international attention. Encouragement of human resource planning, including forecasting of occupational needs by industry sectors, is another approach. These are in addition to unemployment insurance and to the placement services which support the adjustment initiatives of individual workers and employers.

The emphasis on the individual in need and the great flexibility that is possible in developing solutions allow the CJS to be a powerful but flexible tool for economic adjustment. The distinction between the "social" and the "economic" orientation is ultimately artificial.

In summary, the Canadian Jobs Strategy is the right way to address Canada's labour market problems. It is already working. And as start-up problems are worked out, it will work even better in the future. It works for employers and communities. It works for individual Canadians who want relevant jobs and who want to contribute their skills to a healthy, competitive economy.